



Financial Statements of
ESSEX REGION CONSERVATION AUTHORITY

Year ended December 31, 2007

**GRAHAM, SETTERINGTON, McINTOSH,
DRIEDGER & HICKS**

CHARTERED ACCOUNTANTS



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AUDITORS' REPORT

**To the Members of
Essex Region Conservation Authority**

We have audited the balance sheet of the Essex Region Conservation Authority as at December 31, 2007 and the statements of operations and surplus and continuity of reserves for the year then ended. These financial statements are the responsibility of the conservation authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the conservation authority as at December 31, 2007 and the results of its operations for the year then ended in accordance with the significant accounting principles disclosed in note 1 to the financial statements.

**GRAHAM, SETTERINGTON, McINTOSH,
DRIEDGER & HICKS**

*Graham, Setterington, McIntosh,
Driedger & Hicks*

Leamington, Ontario
May 29, 2008

Chartered Accountants
Licensed Public Accountants

Essex Region Conservation Authority
Statement of Financial Position
Year ended December 2007

December 31	2007	2006
Assets		
Current Assets		
Cash	\$ 1 784 571	\$ 1 011 597
Accounts receivable (Note 2)	1 719 845	2 156 476
	<u>3 504 416</u>	<u>3 168 073</u>
Liabilities		
Accounts payable and accruals	995 277	793 202
Deferred revenues	2 501 391	2 366 643
	<u>3 496 668</u>	<u>3 159 845</u>
Net Assets	<u>\$ 7 748</u>	<u>\$ 8 229</u>
Fund Balances		
Amounts to be funded in future periods (Note 3)	\$ (120 260)	\$ (134 224)
Reserves (Schedule 10)	112 074	125 435
Accumulated Surplus	<u>15 934</u>	<u>17 018</u>
Net Financial Position	<u>\$ 7 748</u>	<u>\$ 8 229</u>

On behalf of the Authority:

_____ Chair

_____ Secretary-Treasurer

Essex Region Conservation Authority
Statement of Financial Activities
Year ended December 2007

	2007 Budget (Note 5)	2007 Actual	2006 Actual
Revenues			
Government Grants & Transfer Payments:			
Provincial - Section 39	\$ 202 778	\$ 202 263	\$ 202 263
- Source water protection	2 016 692	1 682 868	1 237 946
- MNR (Water & erosion control infrastructure)	1 762 875	618 851	1 320 447
- MNR and MOE	140 500	396 266	244 030
- Other	1 050 800	314 330	74 072
Federal	1 206 275	405 668	1 000 563
Municipal		-	
Levy - operations	1 294 560	1 294 560	1 232 914
Levy - land acquisition & special projects	1 050 000	1 050 000	1 050 000
Water & erosion control infrastructure and special projects	1 465 500	1 171 287	1 375 778
Total government revenues	10 189 980	7 136 093	7 738 012
User fees and earned income:			
Intradepartmental recoveries	581 856	835 338	511 039
Flood & erosion protection	352 900	300 482	279 840
Conservation education	26 000	18 047	17 920
Nature-based recreation	167 985	130 984	123 678
Protect & enhance biodiversity	326 802	387 511	520 283
Holiday Beach conservation area	155 050	184 235	157 103
John R. Park Homestead conservation area (Schedule 6)	48 100	47 127	34 157
Total user fees and earned income	1 658 693	1 903 724	1 644 020
Other revenues:			
Donations and other grants			
General	273 956	124 928	42 742
Essex Region Conservation Foundation grants	84 971	60 880	57 500
In-kind contributions	1 137 400	1 747 725	803 858
Insurance proceeds	-	130 302	247 445
Interest and miscellaneous income	30 000	78 127	42 634
Total other revenues	1 526 327	2 141 962	1 194 179
Change in deferred revenue:			
Net transfers from/(to) deferred revenue	165 645	(134 748)	(516 845)
	\$ 13 540 645	\$ 11 047 031	\$ 10 059 366
Expenditures			
Protect & Improve Water (Schedule 1)	\$ 2 057 392	\$ 967 415	\$ 621 044
Protect & Enhance Biodiversity (Schedule 2)	2 190 006	2 652 120	2 417 776
Flood & Erosion Protection (Schedule 3)	4 427 150	3 319 073	4 206 507
Conservation Education (Schedule 4)	203 817	187 411	208 302
Nature-Based Recreation			
Holiday Beach Conservation Area (Schedule 6)	359 150	342 442	429 199
John R. Park Homestead Conservation Area (Schedule 5)	164 600	161 079	159 056
Other (Schedule 7)	1 336 723	827 109	588 097
Land acquisition (Schedule 8)	1 900 000	1 718 409	608 412
Corporate Services (Schedule 9)	901 807	886 417	861 619
	13 540 645	11 061 475	10 100 013
Surplus (deficiency) of revenues over expenditures	\$ 0	\$ (14 444)	\$ (40 647)
Accumulated surplus, beginning of year	17 018	17 018	61 044
Net transfers from/(to) reserves	-	13 360	(3 379)
Accumulated surplus, end of year	\$ 17 018	\$ 15 934	\$ 17 018
Analysis of surplus			
Holiday Beach Conservation Area	\$ -	\$ -	\$ -
General surplus	17 018	15 934	17 018
	\$ 17 018	\$ 15 934	\$ 17 018

Essex Region Conservation Authority
Schedules to Statement of Financial Activities
For the year ended December 31

	2007 Budget	2007 Actual	2006 Actual
Essex Region Conservation Authority			
Schedule 1 - Protect & Improve Water			
Expenditures			
Source Water Protection Program			
Professional, technical consultants & resources	\$ 1 390 000	\$ 522 511	\$ 17 304
Wages & benefits	388 400	290 415	317 553
Office, utilities, insurance & corporate support	98 692	68 556	124 427
Program awareness, public education & outreach	37 500	16 842	-
Board support & member expenses	14 500	11 902	-
Training & professional development	24 000	11 894	17 612
Travel	16 300	9 528	10 069
Computers, data management & software	12 000	9 338	48 952
Contingencies	36 000	-	-
Office reconfiguration & buildout	-	-	51 285
	<u>2 017 392</u>	<u>940 985</u>	<u>587 202</u>
Surface & Ground Water Monitoring			
Wages & benefits	15 400	11 271	14 719
Data analysis & procurement	14 100	9 804	8 150
Office, utilities, insurance & corporate support	7 000	3 004	10 973
Travel	3 500	2 351	-
	<u>40 000</u>	<u>26 429</u>	<u>33 842</u>
	<u>\$ 2 057 392</u>	<u>\$ 967 415</u>	<u>\$ 621 044</u>

Essex Region Conservation Authority
Schedule 2 - Protect & Enhance Biodiversity

Expenditures			
Program management & support	\$ 116 316	\$ 112 484	\$ 112 541
Habitat restoration	409 500	727 467	455 455
Friends of watersheds	218 870	225 094	123 104
Aquatic species at risk	112 000	184 250	93 750
Rural NPS	275 000	157 842	267 524
Rural NPS Erie & St. Clair	250 000	147 480	247 393
Detroit River Secretariate	100 000	145 310	94 437
Wheatley Harbour sediment		114 942	3 390
Muddy Creek	225 000	86 787	197 992
Natural heritage studies	-	47 400	14 359
Demonstration farm	23 416	22 681	31 096
Wetland management plans	30 000	-	-
	<u>1 643 786</u>	<u>1 859 252</u>	<u>1 528 501</u>
Forestry			
Treeplanting	392 404	509 682	513 351
Emerald Ash Borer response	37 500	161 701	253 632
One million trees	-	9 000	9 750
	<u>429 904</u>	<u>680 384</u>	<u>776 733</u>
	<u>\$ 2 190 006</u>	<u>\$ 2 652 120</u>	<u>\$ 2 417 776</u>

For the year ended December 31	2007 Budget	2007 Actual	2006 Actual
Essex Region Conservation Authority			
Schedule 3 - Flood & Erosion Protection			
Expenditures			
Development reviews, regulations & general program support	\$ 353 900	364 283	\$ 352 729
Municipal planning	180 200	188 870	168 793
Flood & erosion planning, prevention, control & drainage review	205 400	144 730	154 392
Geographic information services	79 900	78 103	78 184
	<u>819 400</u>	<u>775 986</u>	<u>754 098</u>
Capital projects			
Little River Dykes (East Riverside)	800 000	949 085	291 363
Windsor Waterfront West	290 000	436 125	2 705 466
Pelee Island Dykes		400 000	1 500
SE Leamington studies	565 750	268 527	383 781
Belle River Flood Control	280 000	200 968	5 100
West and East Lonsberry	86 000	137 551	7 346
Belle River Water Course Rehab	94 000	113 297	8 713
Upper Little River SWM plan	22 000	30 150	1 641
Canard River Low Flow	70 000	2 565	20 784
Lakeside Park Kingsville	-	2 457	6 043
Turkey Creek Flood Control	-	2 361	9 009
Leamington Road I Dyke Repairs	1 400 000	-	7 325
Miscellaneous	-	-	4 339
	<u>3 607 750</u>	<u>2 543 087</u>	<u>3 452 409</u>
	<u>\$ 4 427 150</u>	<u>\$ 3 319 074</u>	<u>\$ 4 206 507</u>

Essex Region Conservation Authority
Schedule 4 - Conservation Education & Communications

Expenditures

Communications			
Wages & benefits	\$ 106 409	\$ 94 599	\$ 110 849
Supplies	4 650	7 564	8 581
Educational materials and media placement	13 500	5 804	10 093
Computers, equipment & telecommunications	2 309	5 497	1 427
Travel	2 700	2 094	2 666
Professional development & training	1 000	638	1 355
	<u>130 568</u>	<u>116 197</u>	<u>134 970</u>
School Program			
Wages & benefits	56 699	51 050	55 442
Travel	1 800	3 105	2 203
Office, supplies & telecommunications	1 350	1 385	1 984
Computers, software & equipment	1 400	1 071	2 423
	<u>61 249</u>	<u>56 611</u>	<u>62 052</u>
Miscellaneous special programs & events	12 000	14 602	11 280
	<u>\$ 203 817</u>	<u>\$ 187 411</u>	<u>\$ 208 302</u>

For the year ended December 31

	2007	2007	2006
	Budget	Actual	Actual
Essex Region Conservation Authority			
Schedule 5 - John R. Park Homestead Conservation Area			
Revenues			
Provincial Grants			
Community Museum Operating Grant	\$ 22 200	\$ 23 688	\$ 22 188
Other	8 000	8 326	7 418
Municipal - Levy	62 400	62 400	62 397
Admissions, fees, sales & special events	48 100	51 666	39 626
Donations	9 000	20 879	5 437
Other	-	-	148
Bingo & other fundraising	14 900	-	-
Transfers (to)/from deferred revenue		(6 000)	6 295
	<u>164 600</u>	<u>160 960</u>	<u>143 509</u>
Expenditures			
Wages and benefits	130 080	129 038	131 380
Utilities, insurance & corporate support	16 200	18 354	19 054
Cost of goods sold & event expenses	7 000	6 552	5 469
Site, equipment & artifact - repair & maintenance	9 020	6 283	7 338
Advertising and promotion	2 300	853	1 285
	<u>\$ 164 600</u>	<u>\$ 161 079</u>	<u>\$ 164 525</u>

Essex Region Conservation Authority
Schedule 6 - Holiday Beach Conservation Area

Revenues

Admissions, fees, sales & special events (Net of COGS)	\$ 146 550	171 935	\$ 147 512
General Levy	20 000	20 000	19 848
Property rentals	12 500	12 300	12 300
Provincial Grants	172 600	7 904	1 630
Other Grants	5 000	-	-
	<u>356 650</u>	<u>212 140</u>	<u>181 290</u>
Insurance recoveries	-	130 302	247 445
	<u>356 650</u>	<u>342 442</u>	<u>428 735</u>

Expenditures

Construction (facility rebuild)		130 302	255 584
Wages & benefits	101 000	110 484	106 458
Supplies & maintenance	25 750	38 596	29 269
Capital maintenance & sewer assessment	197 950	26 901	5 610
Utilities, telephone & corporate support	21 700	23 477	22 151
Insurance and taxes	7 750	8 912	8 731
Advertising, promotion and media	2 500	3 770	1 397
	<u>\$ 356 650</u>	<u>\$ 342 442</u>	<u>\$ 429 199</u>

For the year ended December 31

	2007 Budget	2007 Actual	2006 Actual
Essex Region Conservation Authority			
Schedule 7 - Nature-Based Recreation -Other			
Expenditures			
Program management & support	\$ 148 497	\$ 152 797	\$ 125 530
Conservation Areas Maintenance			
Chrysler Canada Greenway & extension	43 133	63 896	46 188
Hillman Marsh & Shorebird Habitat	53 419	54 569	60 632
Various (Conservation areas with expenditures less than \$10k)	92 942	54 106	87 273
Unowned properties under management	54 800	51 167	54 639
Big Creek & Memorial Forests	45 011	48 270	37 218
Kingsville Train Station & Arboretum	12 364	14 549	16 430
	<u>301 669</u>	<u>286 556</u>	<u>302 380</u>
Conservation Areas Development			
Amherstburg to Essex trail	367 000	219 299	10 316
Petite Cote	156 000	161 132	17 891
Highline Woodlot	11 557	6 198	-
Ruthven Trail Extension		1 126	129 881
Detroit River Heritage Lookout	152 000	-	1 100
Hillman Marsh Dyke Study	200 000	-	-
Various		-	1 000
	<u>886 557</u>	<u>387 756</u>	<u>160 188</u>
	\$ 1 336 723	\$ 827 109	\$ 588 097

Essex Region Conservation Authority
Schedule 8 - Land Acquisition

Expenditures			
Spring Garden ANSI	\$ 1 150 000	\$ 1 100 000	\$ 600 000
John R. Park Homestead		\$ 522 638	
Pelee Island Alvar		60 000	
Conservation Easements (In-kind)		23 400	
TBD & preliminary acquisition expenses	450 000	12 371	8 412
Fairplay Woods	300 000	-	-
	<u>\$ 1 900 000</u>	<u>\$ 1 718 409</u>	<u>\$ 608 412</u>

For the year ended December 31

	2007	2007	2006
	Budget	Actual	Actual
Essex Region Conservation Authority			
Schedule 9 - Corporate Support Services			
Expenditures			
Administration			
Wages, benefits & staff development	\$ 422 050	\$ 401 126	\$ 351 869
Occupancy	84 900	85 176	108 803
Equipment, computers & telecommunications	55 350	49 302	54 283
Board meetings & member expenses	22 000	37 392	20 640
Dues & memberships	35 000	36 016	26 725
Office supplies, bank charges & miscellaneous	17 658	30 559	86 791
Insurance	32 000	24 553	23 808
Travel & vehicle	11 550	14 875	11 450
Professional fees	9 500	10 313	8 950
	<u>690 008</u>	<u>689 310</u>	<u>693 320</u>
Central Workshop & Grounds			
Wages & benefits	12 647	13 316	5 669
Office, utilities, insurance & corporate support	13 111	12 452	11 455
Supplies & maintenance	7 376	9 833	17 566
	<u>33 134</u>	<u>35 601</u>	<u>34 690</u>
Vehicles & Equipment			
Fuel	38 000	38 064	41 088
Maintenance and repairs	30 000	36 115	41 623
Supplies, materials & short-term rentals	13 577	13 421	10 089
Wages & benefits	11 088	11 508	13 691
Insurance & corporate support	11 000	9 962	10 121
Licences	1 000	2 001	2 067
	<u>104 665</u>	<u>111 071</u>	<u>118 679</u>
Capital expenditures			
Vehicle/equipment acquisitions	<u>74 000</u>	<u>50 434</u>	<u>14 930</u>
	<u>\$ 901 807</u>	<u>\$ 886 417</u>	<u>\$ 861 619</u>

Essex Region Conservation Authority**Schedule 10- Continuity of Reserves**

	Balance at December 31, 2006	Transfers to/(from) Reserves	Balance at December 31, 2007
Wetlands Enhancement	\$ -	-	\$ -
Ruscom Shores -11 Acre Demo	-	-	-
Canard River Low Flow	38 071	(7 235)	30 836
Canard River Maintenance	22 453	-	22 453
Demonstration Farm Equipment	6 528	-	6 528
Turkey & Little River Water Sampling	1 342	-	1 342
Tree Replacement Warranty	52 700	(8 375)	44 326
Pelee Island Management Plan	1 996	-	1 996
Hillman Marsh Dykes	2 343	-	2 343
Vehicle Replacement	-	2 250	2 250
	<u>\$ 125 435</u>	<u>\$ (13 360)</u>	<u>\$ 112 074</u>

Essex Region Conservation Authority
Summary of Significant Accounting Policies
December 31, 2007

Management Responsibility – The financial statements of the Essex Region Conservation Authority ("Authority") are prepared by management in accordance with generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Basis of Accounting – Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Capital Expenditures – Capital expenditures are reported on the statement of financial activities in the period incurred.

Reserves – Reserves for future expenditures and contingencies are established as required using the estimates of management. Increases or decreases in these reserves are made by appropriations to or from operations.

Corporate Support Recoveries – Internal charges for the use of the vehicles and equipment are made to the various projects and programs of the Authority. The internal charges are designed to recover the costs of operating the equipment, including replacement. Finance, administration and overhead items are partially charged to programs, on a direct wage basis.

In-Kind Contributions – Contributions relate to 15-year stewardship agreements, signed with private landowners, for habitat rehabilitation. The contribution is valued at \$1,500 per acre.

Government Transfers &

Deferred Revenue – The Authority receives certain amounts for which the related services have yet to be performed. The gross transfer payments received during the year are shown by government program, however, revenue recognized is inclusive of net transfers to or from deferred revenue.

Statement of Cash Flows - A statement has not been presented as it would not provide any additional meaningful information.

Use of Estimates – The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Essex Region Conservation Authority
Notes to the Financial Statements
December 31, 2007

1. Purpose of Organization

The Essex Region Conservation Authority (ERCA) is established under the Conservation Authorities Act of Ontario to further the conservation, restoration, development and management of natural resources, exclusive of gas, oil, coal and minerals for the watersheds within its area of jurisdiction.

2. Accounts Receivable

Included in accounts receivable is \$149,045 (2006 - \$191,909) due from the Essex Region Conservation Foundation. The amounts due are non-interest bearing, unsecured and have no specified repayment terms.

3. Amounts to be funded in future periods

Kingsville Train Station improvements	\$ 46,718
Holiday Beach sewer development	<u>73,542</u>
	<u>\$120,260</u>

4. Pension Agreements

The Essex Region Conservation Authority belongs to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of the members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The cost of the plan is the employer's contribution to the plan.

The 2007 employer portion of OMERS pension contributions were \$119,331 (2006 - \$105,432).

5. Budget Amounts

Under generally accepted accounting principles, budget amounts are to be reported on the statement of financial activities for comparative purposes. The 2007 budget amounts for ERCA were adopted on December 14, 2006. The budget figures are unaudited.

6. Tangible Capital Assets

The Authority is currently reviewing historical records related to asset acquisition and is drafting policies regarding capitalization and amortization.